



Senate

General Assembly

File No. 403

January Session, 2007

Substitute Senate Bill No. 1396

Senate, April 10, 2007

The Committee on Human Services reported through SEN. HARRIS of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE STATE PURCHASE OF SERVICE CONTRACTS FOR HEALTH AND HUMAN SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-70b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2007*):

3 (a) The Secretary of the Office of Policy and Management shall
4 establish an Office of Finance under the direction of an executive
5 financial officer. The secretary shall assist the Governor in his duties
6 respecting the formulation of the budget and the correlating and
7 revising of estimates and requests for appropriations of all budgeted
8 agencies and shall also assist the Governor in his duties respecting the
9 investigation, supervision and coordination of the expenditures and
10 other fiscal operations of such budgeted agencies.

11 (b) Said secretary shall direct internal management consultant
12 services to state agencies in such areas as administrative management,
13 facility planning and review, management systems and program

14 evaluation and such other special studies and analyses as he deems
15 necessary.

16 (c) The secretary shall establish uniform policies and procedures for
17 obtaining, managing and evaluating the quality and cost effectiveness
18 of human services purchased from private providers. The secretary
19 shall ensure all state agencies which purchase human services comply
20 with such policies and procedures. The secretary may waive the
21 competitive procurement requirements set forth in chapter 55a with
22 respect to any contract between a state agency and a private provider
23 of human services. The secretary shall report to the General Assembly
24 on or before January 1, 1994, and biennially thereafter, on the system
25 for the purchase of such services in the state. The report shall include
26 an analysis of (1) the relationship between the number of providers of
27 a particular service in a region and the cost of the service, and (2) the
28 impact of the state's policies and procedures for the purchase of
29 human services on the cost of purchasing such services.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	4-70b

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Statement of Legislative Commissioners:

The opening and closing brackets around the phrase "on or before January 1, 1994, and" were removed and the opening and closing brackets around "thereafter," were also removed for clarity with respect to the date on which the biennial report is due.

HS *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

There is no fiscal impact to the Office of Policy and Management or any other agency, as the bill codifies current practice.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 1396*****AN ACT CONCERNING THE STATE PURCHASE OF SERVICE
CONTRACTS FOR HEALTH AND HUMAN SERVICES.*****SUMMARY:**

This bill codifies existing practice by expanding the Office of Policy and Management (OPM) secretary's authority to waive the competitive procurement requirements set out in the personal service agreement (PSA) statute for any contract between a state agency and a human services private provider. By law, he can waive these requirements under certain circumstances for PSAs. The bill allows him also to waive them for human service contracts, which are considered purchase of service (POS) contracts.

EFFECTIVE DATE: July 1, 2007

BACKGROUND***Personal Service Agreements and Purchase of Service Contracts***

Contracts with private providers for human services are usually considered POS contracts. A POS contract is an agreement between a state agency and an organization for the purchase of direct services to agency clients. POS contracts are used to contract with partnerships, as well as corporations, but not with individuals. A PSA, on the other hand, is generally used to provide services to the state agency itself. Neither type of contract is generally used for the sole purpose of purchasing administrative or clerical services, material goods, training, or consulting services.

Attorney General Opinion

According to an attorney general's opinion in 2005, there is no legal distinction between a PSA and a POS contract, so both are subject to

the PSA statute (Chapter 55a). But, according to the opinion, OPM may choose to treat them differently (AG Opinion 2005-031 an 2004-020).

Related Bill

The Government Administration and Elections Committee favorably reported sSB 1181 (File 311), which, among other provisions, also makes changes for both health and human services POS contracts.

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 19 Nay 0 (03/22/2007)